

35A-4-407 Voluntary income tax withholding.

- (1) The department shall advise an individual filing a new claim for benefits at the time of filing the claim that:
 - (a) unemployment benefits may be subject to federal, state, and local income tax;
 - (b) there are requirements for estimating tax payments;
 - (c) the individual may elect to have federal income tax deducted and withheld from the individual's payment of benefits at the amount specified by the Internal Revenue Code;
 - (d) the individual may elect to have state income tax deducted and withheld from the individual's payment of benefits at the rate of 5%; and
 - (e) the individual may change a previously elected withholding status.
- (2) Amounts deducted and withheld from benefits for income taxes under Subsection (1) shall remain in the unemployment trust fund until transferred to the federal or state taxing authority as a payment of income tax.
- (3)
 - (a) The department shall follow all procedures specified by the United States Department of Labor, the Internal Revenue Service, and the State Tax Commission pertaining to deducting, withholding, and submitting amounts deducted and withheld for income taxes.
 - (b) Amounts deducted and withheld for income taxes under this section shall be deducted and withheld only after amounts are deducted and withheld for:
 - (i) overpayment of unemployment compensation;
 - (ii) child support obligations; or
 - (iii) any other amount required to be deducted and withheld under this chapter.

Renumbered and Amended by Chapter 240, 1996 General Session